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ABSTRACT

The development of program discontinuance guidelines and their implementation at the University of Michigan is described. Draft policy guidelines from the University of Pittsburgh, Michigan State University, and University of Wisconsin, and guidelines on academic freedom and tenure from the American Association of University Professors (AAUP) were used. AAUP guidelines are evaluated in relation to program discontinuance. Cost data, impact of closure on the university, and the region or state, and safeguards for faculty and staff and students are discussed. (SPG)

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PROGRAM DISCONTINUANCE:

Its Role in Strategies of Resource Allocation and Planning for Colleges and Universities

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PROGRAM DISCONTINUANCE:

Its Role in Strategies of Resource Allocation and Planning for Colleges and Universities

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Universities are currently in the midst of the most severe and enduring financial crisis since the Great Depression of the thirties. Shifting priorities of state and federal funding for educational programs along with rising costs of utilities, insurance and Social Security have led to increased fiscal commitments for all academic institutions. During the recent economic recession, both state and federal governmental leaders indicated that higher education was one place where money could be saved by decreasing allocations to higher education.

Most academic institutions initially responded to economic pressures by making reductions in nonessential services, postponing major equipment purchases, and postponing building renovations. For the last several years, decreased resources have also been allocated to most instructional programs. Some "across the board" reductions in academic programs have occurred. Policies of "across the board" cuts have the potential to weaken academic quality. Clearly, it is now time for each institution to establish priorities amongst its various academic programs. Initiating more selective reductions by phasing out programs and adding accrued resource savings to other programs will maintain and enhance the quality of our various academic institutions. This paper describes the development of program discontinuance guidelines and their implementation at one major university.

The University of Michigan like most state supported institutions had come to rely on significant increases in state allocations each year. During the recent economic recession, the state of Michigan was affected by both high unemployment and a depression in automobile sales. Customary incremental dollars were not available for institutions of higher education, being used instead for state funded social welfare programs.

Our response was to make selective budget reductions with most academic units receiving from 1 to 4 percent reductions in their general funds allocation for each of two years, 1974-75 and 1975-76. During 1976-77 we concluded that the only way to maintain the quality of learning and teaching was through discontinuance of some programs in order to adequately support our best programs.

In December of 1976 the Office of Academic Affairs noted that two schools were considering the possibility of discontinuing academic programs and/or departments. Triggered by this knowledge, a small task force was asked to develop procedures for dealing with these recommendations.

Our campus precedents for closure dated back some ten years to when an academic program had been terminated by a decision between the Dean and the Vice President for Academic Affairs. We were cognizant that the administrative style of decision making of that era would not be useful to us for the participatory governance style in practice at our institution today.

Initial research efforts indicated that few other universities had initiated policy guidelines for discontinuance of academic programs, although several institutions were in the process of developing such policies. Armed with draft policy guidelines from the University of Pittsburgh, Michigan State University, and University of Wisconsin, as well as guidelines on academic freedom and tenure from the American Association of University Professors, the task force began its discussion.

Research related to the position statements of the AAUP on Recommended Institutional Regulations on Academic Freedom and Tenure was studied.[1] Under these regulations a faculty member can be dismissed by an institution for four reasons: (1) adequate cause, (2) demonstrated bona fide financial exigency, (3) bona fide discontinuance of a program or department not mandated by financial exigency, and (4) medical reasons. Regulation (4c) defines financial exigency as an "imminent financial crisis which threatens the survival of the instituion as a whole and which cannot be alleviated by less drastic means." Four steps are recommended for handling financial exigency: (1) a faculty body should participate in a decision that financial exigency exists or is imminent and that all feasible alternatives to termination have been pursued. (2) "The Faculty or an appropriate faculty body" should have primary responsibility for making judgments determining where within the overall academic program terminations should occur. (3) A faculty body should determine the criteria for identifying the individuals whose appointments are to be terminated. (4) An administrative group or individual should have responsibility for identifying individuals to be terminated.

1. AAUP "1968 Recommended Institutional Regulations on Academic Freedom and Tenure," paragraph 4c, (AAUP Bulletin, Winter 1968, Vol. 54, No. 4, pp. 448-452).

   AAUP Recommended Institutional Regulations on Academic Freedom and Tenure. (AAUP Bulletin, Winter 1972, Vol. 58, No. 4, pp. 428-433) Committee A revisions of 1968 RIR.

   AAUP "1976 Recommended Institutional Regulations on Academic Freedom and Tenure," (AAUP Bulletin, Summer 1976, Vol. 62, No. 2, pp. 184-191).

   Ralph Brown, Jr., "Financial Exigency," (AAUP Bulletin, Spring 1976, Vol. 62, No. 1, pp. 5 16

Under Regulation (4d) procedures are outlined for terminations of faculty because of program discontinuance not mandated by financial exigency. First, the decision to discontinue a program should be "based essentially upon educational considerations as determined by the faculty as a whole, or an appropriate committee thereof." A group making such a decision should base their decision on long range judgments about the educational mission of their institution, not on cyclical or temporary variations in enrollment. Second, terminated faculty should be given opportunity to relocate in another suitable position within the institution, and they should be given opportunity of retraining at the institution's expense if it would facilitate relocation. Third, faculty who are terminated should have the right to appeal a proposed relocation or termination. Issues at the hearing may include failure to satisfy any of the above conditions, but not the decision of the faculty group to terminate the program involved.

W. Todd Furniss developed a document for the Commission on Academic Affairs of the American Council of Education that was an additional resource helpful in our deliberations. Furniss states that AAUP regulations do not provide reliable guidance in a number of important areas and that the best retrenchment policies will be those designed to fit individual institutional characteristics. He criticizes the regulations as having two major deficiencies.[2] First, the term "financial exigency" is left undefined, leaving open to the courts the possibility of making up their own definition which could be quite different from the definition assumed by the institution. Second, the AAUP regulations completely separate the definition of financial exigency from program discontinuance for educational reasons. The intermediate conditions between imminent financial exigency of the entire institution and program changes for educational reasons are left completely untouched by the regulations. Furniss points out that conditions of "retrenchment" might be expected to emerge more frequently somewhere between these two extremes.

Two weeks of research and writing produced the first draft of the policy guidelines for program discontinuance ready for review and discussion by our office staff. An introduction to the guidelines emphasized the need for planning, evaluation and timely review of all programs. It also outlined four central questions under consideration: (1) Who should decide which program to eliminate? (2) What criteria should be used in making these decisions? (3) What safeguards should be given to tenured and nontenured faculty, and other employees, if a program was to be eliminated? and (4) What safeguards should be given to students in such a program? The process of review and discussion that ensued on our campus did lead to significant conceptual changes over a three-month time period, although the four major areas never changed.

2. W. Todd Furniss, "The 1976 AAUP Retrenchment Policy," Educational Record, Summer 1976, Vol. 57, No. 3, pp. 133-139.

Initial drafts were reviewed by the legal staff, executive officers and selected deans, including those considering program discontinuance. The document was then made public and reviewed by the entire group of deans, the faculty senate and several other advisory groups of both students and faculty. The seventeen schools and colleges discussed the draft guidelines in their faculty meetings and suggestions for improvement and changes in policies were made. The final version was approved by both the faculty senate and the council of deans.

Both the initial and final drafts recognize the importance of (1) an independent peer review, (2) consultation with affected parties by the dean and academic vice president after the initial recommendation for discontinuance is approved by the vice president's office, and (3) ultimate approval by the governing board. One additional item was added to the final draft: (4) when financial difficulties are included as part of the dean's recommendation for discontinuance, an ad hoc committee will review the budget consideration.

The most difficult area to develop was the section on who has the authority to decide on recommending programs for closure. University of Michigan's Regential bylaws vest certain powers in the faculty and others are delegated to the dean and executive committee. Like many bylaws they are subject to several interpretations. Since the governing faculty had the right to make decisions relative to curriculum and since the dean and executive committee were given responsibility for budgetary matters, there was disagreement as to whether the faculty or the dean and executive committee had the right to decide for the college on program closure.

Our first draft called for an advisory vote of the faculty of the school or college involved in any decision to terminate a program. After further discussion, this recommendation was dropped in the belief that the Regential bylaws vested the budgetary responsibilities for a school or college with the dean and executive committee (which was composed of elected faculty members). It was felt that program discontinuance clearly involved budgetary responsibilities since an executive committee could excise a particular allocation completely, in effect, causing the discontinuance of an academic program.

While there was support for most of the concepts embodied in the initial policy discontinuance document, the Faculty Assembly questioned the role of the faculty in the decision making process to terminate a program. Debate centered around the question of who had the primary responsibility for making decisions about program elimination. In general, the faculty wanted a stronger role in determining whether or not a genuine fiscal crisis was in existence on campus.

Based upon faculty input, an agreement was reached to include early and meaningful consultation with the governing faculty but to keep the final decision by the school or college with the dean and executive committee.

The words used in our document reflect these considerations: "since program discontinuance will almost always involve concurrent consideration and evaluation of both educational implications and the interrelated budgetary considerations, a recommendation for program closure should emanate from the dean and/or executive committee." They may make such a recommendation to the academic vice president only "after consultation with the governing faculty."

During the interval of time that occurred from the initial development of our guidelines to the final draft, two requests for closure of academic programs were officially forwarded to the Office of Academic Affairs. Our final document on program discontinuation guidelines benefited from real life situations to test its applicability. This experience proved to be immensely helpful in assisting us to clarify certain nebulous or ambiguous statements.

We found it impossible to separate economic and educational factors in considering program discontinuance. A school or college faced with making priority decisions in the allocations of limited resources must look at both the quality of a program under consideration and the financial implications of what it would take to bring that program up to the standards met by other programs in the school or college. Questions of maintaining and enhancing quality are usually questions of keeping or attracting high quality faculty. Those questions can only be answered by allocating the available dollars to keep or get the best faculty available. Universities now face difficult decisions about whether it is more advisable to discontinue a program of lower quality, or to put it as first priority in the allocation of scarce resources against the competing demands of other programs with the system. Questions of quality and money cannot be separated. As Furniss points out, there are many stages between total financial bankruptcy and program discontinuance for purely educational reasons.

The criteria for making decisions about program closure remained essentially the same throughout the many drafts. Primary emphasis was placed on the quality of the program in relation to the overall mission of the school or college. A recent objective assessment of the quality of the program was required by a peer review on campus as well as an independent assessment by outside consultants and the most recent accreditation agency reports. Criteria useful in an objective review includes national standing, quality of the applicant pool, performance of its students and alumni, and quality of the faculty. The latter includes both academic preparation and assessment of individual performance in the important areas of teaching, research and scholarship. Other criteria includes the value of the particular program to society, its historical perspectives and any future trends that could influence the character of a particular program or its unique qualities.

In addition to the important criteria of quality, the question of cost needs to be considered. Cost data includes present and projected enrollments, cost per student or per SCH*(which could also be construed as a measure of faculty productivity) and relationship of the cost of the program to other educational needs of the college and to societal needs. The loss of student fee revenue as well as the institutional cost to keep the tenured faculty, if possible, needs to be calculated to determine the fiscal savings that would accrue from program closure.

An assessment of the impact of closure on other units of the university is important since there are many programs that are interrelated and dependent upon each others course offerings and faculty expertise. The cost of replacing these acitivities, if necessary, needs to be determined. Occasionally, one can transfer selected faculty members to a unit that has a particular need for the skills of those being terminated.

An analysis of the impact of closure on the region or state is also important, as is the impact upon affirmative action goals and commitments especially if the program has widespread appeal to women or minority groups.

Occasionally a program will be considered for closure that has high cost and mediocre quality but is recognized as having a public service value, so that the university may not wish to recommend closure. If this situation occurs, then it is especially important to consider alternatives to closure, such as merging with another unit or units within the college, transferring the program to another college within the university, developing a

*Student Credit Hours

joint program with another institution, transferring the program to another institution, or making significant curricular changes to reduce the cost of the program without adversely affecting the quality of the program.

Adequate safeguards for faculty and staff need to be developed. In our initial draft, safeguards for faculty followed many of the elements suggested in the AAUP regulations. Notices were specified, the right to a hearing, and moratoria on replacements were recommended. These items were later replaced by a more general reassurance that the university has never released tenured faculty members because of program closure and that the maintenance of tenured faculty and essential instructional and supporting services were the highest priority of the university. Our guidelines stated that if at some future time it should become necessary to release tenured faculty, every effort would be made to find another suitable position within the university. If retraining would help in this relocation, it would be provided. In cases where it would not be possible to continue a tenured faculty appointment, the existing hearing procedures and provisions for severance pay would be utilized (these hearing procedures were designed for dismissal of tenured faculty for cause and have never been used). Finally, noninstructional staff who would be affected by the decision to terminate a program would follow written procedures already in existence for reduction in force.

Safeguards for students should assure those students affected by a decision to discontinue a program that the termination will be over a reasonable length of time in order to allow students either to finish their degree or to transfer to another program. No admissions ought to be made to a program under consideration for closure once the vice president for academic affairs accepts the recommendation of the dean and executive committee to consider discontinuance. Students should also be given the right to participate in the decision to review a program proposed for termination. These provisions existed in both our initial and final drafts.

In retrospect, everyone accepted the philosophy that selective excellence was needed in an era of shrinking resources. There was widespread support for the concept of a policy document which outlined procedural guidelines to be used when a unit was identified for possible phase out. The difference of opinion that arose were from faculty members who wished to assure themselves of an appropriate role for the faculty in the decision making process. In addition, they wanted adequate procedural safeguards for the protection of faculty rights when faculty members were involved in units cited for program closure.

The three months of campus debate and discussion did a great deal to assist us in clarifying the significant issues involved. Meetings were not only time consuming but emotionally laden for everyone, yet they were conducted without acrimony in an atmosphere that was indicative of our campus spirit of appreciation and acceptance of differing viewpoints. Our final policy guidelines provide us with a framework of criteria that are intentionally general in nature since we found it difficult to develop policies that could be applicable to all situations within one complex university.

It is apparent that the characteristics of an institution will influence its ability to make program discontinuance recommendations. The autonomy of the institution, whether it is part of a state system, or is an independent, or a state supported institution, will definitely influence the decision making structure, as will the leadership characteristics of the administrative officers. The role of the governing board is also of great importance. State supported instituions with board members elected by popular vote will note that the politics of public opinion will influence the decision making process. Large governing boards of independent institutions appear to be less encumbered by public opinion in making decisions related to closure of programs.

The sense of mission of the overall university, as well as the mission and purpose of its several academic units, also affects the decision. Qualitative factors can be interpreted differently by different groups. An assessment of high quality in one academic institution may be viewed as mediocre in another setting.

The role the Vice President for Academic Affairs assumes in assuring all interested parties of a voice in the deliberations is critical to the campus spirit of freedom of expression. Prior to any final determination of outcome, it is important for administrators who will be involved in making the final recommendations to provide opportunity for publicly sharing as much information as possible regarding the rationale for closure. Additionally, the Vice President's office must maintain a neutral position until such time as an independent analysis of all data is completed. Compliance with all policies relative to the program closure guidelines must be assured by careful study and monitoring.

The decision to close a program is not a popular one, a barrage of protests should be expected from students, faculty and others. Program closure is an act of courage if the future of higher education is to survive a projected decline in enrollment and reduced public support. Maintenance of academic quality demands such courageous decisions.

Workshop participants will have an opportunity to discuss the development of program discontinuance guidelines. Two case studies of discontinuance will be described which may be of help to other institutions facing the same problems.

3/10/78

PROGRAM CLOSURE GUIDELINES

Criteria (General)

1. Fit of program in general mission and purpose of unit
2. Quality of program by objective assessment
3. Cost
4. Comparable program(s) at other instutions in the state of Michigan
5. Impact of closure on other units of university
6. Impact of closure on region or state
7. Impact of closure on affirmative action goals and commitments (women/minorities)
8. Service values
   -- to other units (interrelationships)
   -- to society (public service)
9. Social need
0. Alternatives to closure

PROGRAM CLOSURE GUIDELINES

Criteria--Objective Assessment of Quality of Program

1. National standing
2. Quality of applicant pool
3. Performance of its students and alumni
4. Quality of faculty
   a. academic preparation
   b performance--teaching, research scholarship
5. Uniqueness of program
6. Value of program to society
7. Historical perspective and future trends

Independent Assessment by:

(1) outside consultants

(2) accreditation agency reports

(3) Peer review on campus

PROGRAM CLOSURE

Criteria--Cost

1. Present and projected enrollments
2. Cost per student or per SCH (productivity)
3. Relationship of costs of program to other educational needs of college
4. Relationship of cost of societal needs
5. Cost to convert special facilities or savings if dispose of them
6. Loss of student revenue plus cost to keep tenured faculty = fiscal savings resulting from closure
7. Human costs of closure
8. Cost to other unit if interrelated activities are dependent upon a component of the program

PROGRAM CLOSURE

ALTERNATIVES TO CLOSURE

1. Merger

2. Transfer to another unit

3. Reduce cost per student by curricular changes

4. Joint program with another institution

5. Transfer program to another institution

BARRIERS TO CLOSURE

1. Lack of adequate data base to interpret criteria
2. Time consuming involvement of academic officers, dean and faculty membe
3. Emotionalism—High=decreased objectivity
4. Distrust by faculty due to lack of consultative process
5. Ambivalence over making decisions
6. Political climate
    (a) Public versus private institution
    (b) Role of governing board in decision making